GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:2951
ANSWERED ON:20.03.2017
Prices of Petroleum Products
Hegde Shri Anant Kumar Dattatreya;Mohammed Shri Faizal P.P.

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the price of crude oil has been slashed by 60 per cent and the prices of petrol and diesel and other petroleum products in metropolitan cities decreased only 5 to 9 per cent;
(b) if so, the details thereof along with the prices of petrol and diesel increased/ decreased during the last two years and the current year and the reasons for not passing on the benefits of lower crude oil prices in the international market to the consumers; and
(c) whether the Government has any plan to stop subsidy for petroleum products and if so, the details thereof?

Answer

MINISTER OF STATE (I/C) IN THE MINISTRY OF PETROLEUM AND NATURAL GAS
(SHRI DHARMENDRA PRADHAN)
(a) & (b): The price of petroleum products are linked to the price of respective products in the international market. The prices of Petrol and Diesel have been made market determined by the Government effective 26th June, 2010 and 19th October, 2014 respectively. Since then, the Public Sector Oil Marketing Companies (OMCs) take appropriate decision on pricing of Petrol and Diesel in line with their international prices and other market conditions. The element of excise duty which is specific in nature has been increased since November, 2014. Most of the State Governments have also increased VAT on Petrol and Diesel. After taking into account these factors, Public Sector OMCs have passed on major portion of the decrease in price to the consumers of Petrol and Diesel.
The details of increase/decrease in prices of Indian Basket Crude Oil, Petrol, Diesel, PDS SKO and Domestic LPG in the last two years and current year are given below:

Date	Crude Oil (Indian Basket) ($/bbl.)	Petrol (Rs./litre)	Diesel (Rs./litre)	PDS SKO (Rs./litre)	Domestic LPG Subsidized/ Effective cost after DBTL Subsidy# (Rs./14.2 KG Cyl.)
01.04.2014	104.56	72.26	55.49	14.96	414.00
01.04.2015	53.64	60.00	48.50	15.24*	417.82#
01.04.2016	36.58	59.68	48.33	15.42	419.13
Current price	54.85	71.14	59.02	18.77	434.93

*since there is 'Nil' allocation of PDS Kerosene in Delhi currently, RSP of PDS Kerosene 1.11.2014 onwards is at Mumbai
effective 1st January 2015, Modified DBTL scheme has been implemented in entire country. The effective cost to consumer is after DBTL subsidy.
(c): As mentioned above, prices of Petrol and Diesel have been made market determined. The Government continues to modulate the effective cost to consumer for Subsidized Domestic LPG and retail selling price of PDS Kerosene and has taken steps for better

targeting so that only needy and poor households avail subsidy.
x-x-x-x-x